



Susan Montee, CPA  
Missouri State Auditor

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May 2007

Twenty-First Judicial Circuit

St. Louis County, Missouri  
Municipal Division



Office Of  
Missouri State Auditor  
Susan Montee, CPA

May 2007

The following findings were noted as a result of an audit conducted by our office of the Twenty-First Judicial Circuit, Municipal Division, St. Louis County, Missouri.

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The court has not established procedures to follow-up on case dispositions to determine if any bonds listed need to be forfeited or refunded, or have a new court date assigned. At December 31, 2006, the bond open items listing totaled approximately \$770,400. The balance in the Bond Fund exceeded the bond open items listing by approximately \$18,000. Fourteen of the fifteen cases reviewed had bonds which needed to be forfeited. In addition, bond amounts transferred to the Bond Forfeiture Fund could not be identified with specific cases or individual bond owners. Also, the court transfers bond forfeitures to the county only once a year. As of December 31, 2006, there was approximately \$61,450 in the Bond Forfeiture Fund awaiting transfer.

The Municipal Division has not developed procedures to routinely follow-up on old outstanding case balances. Only failure to appear notices and warrants are issued for non-payment. Recent legislation has increased the court's opportunities to collect amounts owed the court; however the Municipal Division does not participate in any of these options. A report of the amounts currently owed to the court could not be generated by its computer system. As a result, the total due to the court could not be determined.

Monies received are not deposited timely at the South and West division offices. In addition, all court employees in the division offices have access to the safe or locked drawer located in their respective office where the monies are kept until being deposited. The average deposit amount was \$10,400, \$2,800, and \$5,100 for the South Division, the West Division, and the North Division, respectively. Also, supervisors at the North, South, and West division offices collect and receive checks and money orders without recording or documenting the amounts received. These monies are transmitted to other clerks for additional processing and recording into the accounting system. The number of employees who receive and handle monies should be limited to safeguard monies from theft, loss or misuse.

Also included in the report are recommendations related to ticket accountability, record retention, and the violations bureau.

**All reports are available on our website: [www.auditor.mo.gov](http://www.auditor.mo.gov)**

YELLOW SHEET

TWENTY-FIRST JUDICIAL CIRCUIT  
ST. LOUIS COUNTY, MISSOURI  
MUNICIPAL DIVISION

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## STATE AUDITOR'S REPORT



**SUSAN MONTEE, CPA**  
**Missouri State Auditor**

Presiding Judge  
and  
Municipal Judges  
Twenty First Judicial Circuit

We have audited certain operations of the St. Louis County Municipal Division of the Twenty-First Judicial Circuit. The scope of this audit included, but was not necessarily limited to, the 2 years ended December 31, 2006. The objectives of this audit were to:

1. Review internal controls over significant financial functions.
2. Review compliance with certain legal provisions.
3. Review certain receipts.

Our methodology to accomplish these objectives included reviewing written policies, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions.

In addition, we obtained an understanding of internal controls significant to the audit objectives and considered whether specific controls have been properly designed and placed in operation. We also performed tests of certain controls to obtain evidence regarding the effectiveness of their design and operation. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We also obtained an understanding of legal provisions significant to the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting significant instances of noncompliance with the provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. The work for this audit was substantially completed by February 2007.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in the audit of the division.

The accompanying Management Advisory Report presents our findings arising from our audit of the St. Louis County Municipal Division of the Twenty-First Judicial Circuit.

A handwritten signature in black ink, appearing to read "Susan Montee".

Susan Montee, CPA  
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kenneth W. Kuster, CPA
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Monique Williams, CPA
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MANAGEMENT ADVISORY REPORT -  
STATE AUDITOR'S FINDINGS

TWENTY-FIRST JUDICIAL CIRCUIT  
ST. LOUIS COUNTY, MISSOURI  
MUNICIPAL DIVISION  
MANAGEMENT ADVISORY REPORT -  
STATE AUDITOR'S FINDINGS

<b>1.</b>	<b>Bond Procedures</b>
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- A. Monthly listings of open items (liabilities) are not reconciled to the county's Bond Fund balance, nor is the listing adequately reviewed to ensure bonds are disposed of on a timely basis. Court personnel indicated a monthly open items report is printed and reviewed; however, the report is discarded after each review. At December 31, 2006, the bond open items listing totaled approximately \$770,400. The balance in the Bond Fund exceeded the bond open items listing by approximately \$18,000.

The open items listing shows the status for each case as "Pending" if the case has been continued to another court date; "Completed" if the case has been closed and no monies are due; or "Inactive" if the case has never been heard and a warrant has been issued. The court has not established procedures to follow-up on these dispositions to determine if any bonds listed need to be forfeited or refunded, or have a new court date assigned. Fourteen of the fifteen cases reviewed had bonds which needed to be forfeited and one which needed to be refunded. Also, for 3 of these, a second bond had been collected for an additional failure to appear, but a new court date had never been assigned to finish processing the case.

Monthly listings of open items should be prepared and reconciled to the county's Bond Fund to ensure proper accountability over open cases and to ensure monies held in trust are sufficient to meet liabilities. In addition, the open items listing should be reviewed to ensure that outstanding bonds are properly disposed of in a timely manner. An attempt should be made to determine the proper disposition of these excess monies. For those monies which remain unclaimed, Section 447.595, RSMo, requires funds remaining unclaimed for one year after disposition of the case to be turned over to the state's Unclaimed Property Section.

- B. Bond amounts transferred to the Bond Forfeiture Fund could not be identified with specific cases or individual bond owners. In addition, bond forfeitures are not transferred to the county in a timely manner. Amounts are automatically transferred from the Bond Fund to the Bond Forfeiture Fund when bonds are coded to the system as forfeited. However, after this transfer, documentation is not maintained or provided by the system indicating which cases make up the amounts transferred. Without this information, the court cannot be assured that bonds have been correctly forfeited by the court and are disposed of properly. As of December 31, 2006, there was approximately \$61,450 in the Bond Forfeiture



Fund waiting to be transferred to the county. The court transfers these monies once a year. Bond forfeitures represent accountable fees and should be transmitted monthly to the County Treasury in accordance with Section 50.360 RSMo. To allow a more timely transmittal, the court must know the bonds that are awaiting transfer to the County Treasurer.

- C. Some defendants are released on their own recognizance (no financial bond is posted) without obtaining written authorization from the judge. The bond amount to be collected is established by the judge when the warrant is issued. The Justice Services Department collects the bond and releases the defendant. Of the 10 bonds reviewed, two of the defendants were released on recognizance bonds without written authorization from the judge. Justice Services personnel indicated they were authorized to make this decision by a blanket court order; however, this order could not be located. The only authorization currently on file is a written memo from the court administrator allowing defendants to be released on recognizance bonds if they have less than 2 failure to appear charges.

To ensure justice is administered in accordance with the court's orders and to ensure all defendants are treated fairly and equitably, the Justice Services Department should only take actions consistent with the municipal judge's orders. The judge should approve any action(s) taken contrary to the court's initial instructions, and documentation of that action(s) and approval should be filed with the court.

**WE RECOMMEND** the St. Louis County Municipal Division:

- A. Reconcile the monthly open items listing to the amount held in the county's Bond Fund. In addition, the Municipal Division should determine the disposition of the remaining unidentified amounts held in the fund and review the listings to ensure bonds are disposed of in a timely manner.
- B. Ensure forfeited bonds are transferred to the county on a timely basis and maintain documentation to support amounts transferred.
- C. Ensure the Justice Service Department takes action consistent with the municipal judges orders. Any action(s) taken contrary to the court's initial decision should be approved by the judge and documentation filed with the court.

## **AUDITEE'S RESPONSE**

*The Court Administrator provided the following responses:*

- A. The court will begin reconciling the open items listing monthly, and are currently reviewing the list to ensure all old bonds are disposed of properly. A judge's order is required to forfeit a bond; however, the Court will develop more aggressive procedures to ensure the bonds which need to be forfeited are brought to the attention of the judge.*
- B. The court will work with the county to establish procedures to transfer these funds on a monthly basis. We are developing procedures which will treat bond forfeitures and refunds as cash transactions and a receipt will be issued. The case numbers will be indicated on these receipts. In addition, we are currently considering the purchase of a new computer system for the court and will ensure the new system adequately documents the cases being transferred to the Bond Forfeiture Fund. These recommendations will be implemented within 6 months.*
- C. The court will draft within 6 months a blanket court order for the judges' signature (to replace the one which could not be located) establishing when the Justice Services Department can release a defendant on his own recognizance.*

<b>2. Accrued Costs</b>
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- A. The Municipal Division has not developed procedures to routinely follow-up on old outstanding case balances. A report of the amounts currently owed to the court could not be generated by its computer system. As a result, the total due to the court could not be determined.

A failure to appear notice and a warrant is issued for non-payment; however, the court does not utilize any other methods to collect amounts owed the court, such as a collection agency. The Court Administrator indicated they have not contracted with a public or private entity to collect delinquent court-ordered payments because it is not cost effective to incur additional programming costs to the current computer system plus the fees charged by a collection agency. Court personnel indicated a cost/benefit analysis was performed on these services; however, documentation of the analysis was not retained.

Although recent legislation has increased the court's opportunities to collect amounts owed the court, the Municipal Division does not participate in any of these options. Section 488.5030, RSMo, gives courts the prospect of contracting with a collection agency to pursue past-due court-ordered court costs. State law also allows any fees or cost associated with such collection efforts be added to the amount due, but such fees and costs shall not exceed twenty percent of the amount collected. The division could also consider reporting the unpaid debt to one of the three main credit reporting bureaus.

Inadequate collection procedures result in lost revenue for the county. A complete and accurate accrued cost listing would allow the court to more easily review the amounts owed to the court, and take the appropriate steps to ensure all amounts owed are collected on a timely basis.

- B. Warrants were not issued for some cases. In three cases reviewed, warrants were recalled in error and never re-entered into the system, although the defendants owed monies to the court. In another case, the defendant did not pay timely but a warrant was never issued.

Proper and timely issuance of warrants for amounts due to the court helps to maximize court revenues along with providing equitable treatment for those citizens who are paying court costs and fines when due.

**WE RECOMMEND** the St. Louis County Municipal Division:

- A. Ensure an accurate listing of accrued costs is prepared and establish procedures to monitor and pursue timely collection of accrued costs.
- B. Ensure a warrant is issued on all cases where the amount due has not been paid by the due date.

### **AUDITEE'S RESPONSE**

*The Court Administrator provided the following responses:*

- A. *The court will implement procedures, within one year, to allow accrued costs to be entered into the system and a report to be generated. Once a report is generated, we will review the cost of using a collection agency to pursue collection of the receivables.*
- B. *The court will attempt to develop a report that lists all cases without activity for a specified amount of time and compare that listing to outstanding warrants. Any cases without warrants and without activity would then be investigated. We will implement this recommendation within 6 months.*

<b>3. Accounting Controls</b>
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- A. Monies received are not deposited timely at the South and West division offices. Some monies were held as long as four days prior to deposit. In addition, all court employees in the division offices have access to the combination safe or locked drawer located in their respective office where the monies are kept until being deposited. The average deposit amount was \$10,400, \$2,800, and \$5,100 for the South Division, the West Division, and the North Division, respectively. Approximately, twelve percent of the deposits were received in cash.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, court monies should be deposited daily. In addition, internal controls could be improved by limiting the number of employees who have access to the safe or keys to the cash drawer.

- B. Supervisors at the North, South, and West division offices collect and receive checks and money orders without recording or documenting the amounts received. The Supervisors open the mail and sort it for processing, but do not record the monies received. These monies are transmitted to other clerks for additional processing and recording into the accounting system. To safeguard monies from theft, loss or misuse, the number of employees who receive and handle monies should be limited to the extent possible or require a mail log to be prepared and verified to amounts deposited.

**WE RECOMMEND** the St. Louis County Municipal Division:

- A. Deposit court monies intact daily and limit the number of employees who have access to the safe or keys to the cash drawer.
- B. Limit the number of employees who can receive or handle monies prior to recording and depositing funds or require a mail log be prepared and verified to deposits.

#### **AUDITEE'S RESPONSE**

*The Court Administrator provided the following responses:*

- A. *The court policy requires monies to be deposited daily. The court will begin reviewing the transmittal listings daily to ensure a deposit has been made by all appropriate employees and all employees must have access to the safe due to the rotating schedule for evening court. The court will review other alternatives to try to tighten controls over these monies. In addition, the county is currently investigating the possibility of developing a central cashier at each facility for all county transactions.*
- B. *The court will implement this recommendation immediately.*

<b>4. Ticket Accountability</b>
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Neither the police department nor the Municipal Division have adequate procedures to account for the numerical sequence of tickets issued. The police department's computer system tracks the numerical sequence of the tickets issued and a report can be printed of missing tickets; however, this report has not been printed or reviewed since October 2005. Some tickets were not processed by the court because no one followed up on missing tickets.

To ensure proper disposition of tickets issued by the Police Department, the numerical sequence should be accounted for properly.

**WE RECOMMEND** the St. Louis County Municipal Division work with the police department to ensure that missing ticket reports are printed and reviewed on a monthly basis. In addition, proper follow-up should be made and documented for any ticket presumed to be missing.

#### **AUDITEE'S RESPONSE**

*The Court Administrator provided the following response:*

*The court will request the police department to submit documentation to the court to show this is being done.*

<b>5. Record Retention</b>
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The bond open item listing, deposit slips, and a cost/benefit analysis regarding the usage of a collection agency were not retained by division personnel. In addition, two case files selected for review could not be located. Missouri Supreme Court Operating Rule 8 requires municipal divisions to retain all case file records and all financial records, including reports of the courts financial decision making. Retention of municipal records is essential to establishing accountability of municipal division activity and to demonstrate compliance with state law. Effective control of records requires all documents and records to be safeguarded against loss, be accessible to the appropriate municipal division employees, and upon reasonable request, be accessible to the public.

**WE RECOMMEND** the St. Louis County Municipal Division maintain case records and copies of all financial and related records in accordance with Missouri Supreme Court Operating Rule 8.

#### **AUDITEE'S RESPONSE**

*The Court Administrator provided the following response:*

*The court will implement this recommendation immediately. We are currently reviewing the possibility of obtaining a scanner so documents can be stored electronically, also we are attempting to store more reports electronically.*

<b>6. Violations Bureau</b>
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A schedule of fines and court costs is not posted at the Violations Bureau (VB) offices or on the court's website. Section 479.050, RSMo, and Supreme Court Rule No. 37.49

require a schedule which designates the offenses within the authority of the VB clerk, and the amount of fines and costs to be imposed for each offense, be posted at the VB.

**WE RECOMMEND** the St. Louis County Municipal Division ensure the schedule of fines and court costs is posted at the Violations Bureau.

**AUDITEE'S RESPONSE**

*The Court Administrator provided the following response:*

*This recommendation has been implemented. The court has drafted the list to be posted at each division and on the web page, now it is waiting for the judge's signature.*

HISTORY, ORGANIZATION, AND  
STATISTICAL INFORMATION

TWENTY-FIRST JUDICIAL CIRCUIT  
ST. LOUIS COUNTY  
MUNICIPAL DIVISION  
HISTORY, ORGANIZATION, AND  
STATISTICAL INFORMATION

The St. Louis County Municipal Division is only one of the ninety-one municipal divisions within the Twenty-First Judicial which consists of St. Louis County. The Honorable Carolyn Whittington serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violations bureau (VB) in which fines and costs are collected at times other than during court and transmitted to the county treasury.

Operating Costs

The operating costs and court salaries of the municipal division are paid by the St. Louis County government.

Organization

The St. Louis County Municipal Division was established in accordance with the St. Louis County Charter Ordinance No. 16152. The Municipal Division is divided into four subdivisions known as the Central Division, North Division, South Division, and West Division. Each of these divisions operate a violations bureau which serve the unincorporated areas of St. Louis County. The Violations Bureau (VB) collects fines and court costs for traffic tickets issued by the county police department and other county government entities that do not require a court appearance. The North Division has three court sessions each week, the South Division has four court sessions each week, the West Division has one court session each week, and the Central Division has two court sessions each week.

The Municipal Court Administrator serves as the administrative officer for the Municipal Division. The division's supervisors and administrative office personnel are responsible for collecting fines and court costs and depositing monies into the county bank account. The Department of Justice Services collects the municipal bond monies. Bond monies are deposited into a separate bank account and disbursed to the Municipal Division administrative office daily. The Municipal Division transmits bond monies to the county treasurer's office for deposit into the county bank account.



## Personnel

Municipal Judges	Renee Hardin-Tammons Celeste Endicott Robert Adler Jess Ullom
Court Administrator	Renee Hines-Tyce
Deputy Court Administrator	Maureen Brown
Central Division Supervisor	Richael LaKine
North Division Supervisor	Tiffany Davis (1)
South Division Supervisor	Jacqueline Brown
West Division Supervisor	Carol Brenner

(1) Elonda Goodwin served as the North Division Supervisor prior to July 1, 2006.

## Financial and Caseload Information

	<u>Year Ended December 31,</u>	
	<u>2006</u>	<u>2005</u>
Receipts	\$7,379,844	\$7,157,218
Number of cases filed	62,319	59,952

TWENTY-FIRST JUDICIAL CIRCUIT  
ST. LOUIS COUNTY  
MUNICIPAL DIVISION  
ORGANIZATION CHART  
DECEMBER 31, 2006

